

EXHIBIT 42

1 D2S8CITC

1 UNITED STATES DISTRICT COURT
1 SOUTHERN DISTRICT OF NEW YORK

2 -----x

3 IN RE CITIGROUP, INC.
4 SECURITIES LITIGATION

07 Cv. 9901 (SHS)

5 -----x

6 February 28, 2013
6 10:10 a.m.

7 Before:

8 HON. SIDNEY H. STEIN

9 District Judge

10 APPEARANCES

11 KIRBY McINERNEY LLP
12 Attorneys for Plaintiffs
12 BY: IRA M. PRESS
13 PETER S. LINDEN
13 ANDREW M. McNEELA

14 ENTWISTLE & CAPPUCCI
15 Attorneys for Plaintiffs
15 BY: JONATHAN H. BEEMER

16 PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
17 Attorneys for Defendants
17 BY: RICHARD A. ROSEN
18 JANE B. O'BRIEN

19 Also present:

20 THEODORE FRANK, Objector (by telephone)

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1 I am also denying that area of his requests which seek
2 to know how much the contract attorneys -- I think the
3 plaintiffs call them project specific attorneys -- are paid.
4 The law is quite clear that the issue for me is what a
5 reasonable fee is. The issue is what the market pays for the
6 various attorneys. That's Arbor Hill. There is a whole line
7 of cases on that. The issue of how much profit there is in
8 this for the plaintiffs' attorneys I think is not relevant to
9 my inquiry under the law; that is, I am not supposed to look at
10 the difference between the costs to the plaintiffs' firms and
11 what a reasonable fee is. The issue is what the market rate is
12 for these people. So I am not going to grant any discovery in
13 regard to what these people are being paid.

14 However, I do think it's relevant, and something I
15 would like to know, as to what the qualifications and
16 reputations and skills of the contract attorneys are. And I
17 know the declarations put in by the plaintiffs' attorneys say,
18 oh, they are the same as our regular attorneys, and some went
19 to fabulous law schools and others have had a great deal of
20 experience with CDO issues and others have worked on these
21 projects before. I understand that. But I think the Court and
22 Mr. Frank are entitled to specifics so that we can get beyond
23 the generalities and take a look and see if in fact the
24 contract attorneys do have comparable skills, experience and
25 reputations to the attorneys who are regular employees of the

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2 law firms.

3 That's one area that I want. And I will be specific.
4 I have a list here. I will tell you what specifically I want.

5 Another area that I think I want information on, and I
6 believe Mr. Frank does as well, is to get a better feel for the
7 extent of duplication of effort, if any, and so I will talk
about that.

8 Here is the list of what I want and you will have to
9 make it available. You will file it and therefore it will be
10 available to Mr. Frank as well.

11 The plaintiffs' attorneys have already offered to
12 submit the daily time records, and I want that. And when I say
13 plaintiffs' attorneys, I am not only talking about Kirby
14 McInerney, although obviously that's the bulk of it, but you're
15 going to be responsible for all of the plaintiffs' firms.

16 I do want the daily time records. I think the case
17 law in the Second Circuit read tightly is that there should be
18 contemporaneous time records filed with the Court so I am going
19 to ask for those. I can't tell you what format they should
20 use. I certainly don't want truckloads of documents. I assume
21 disks are better, but I will leave that to you. That's one
22 thing, daily time records of the attorneys, contemporaneous
23 time records if they are available.

24 Secondly, there was, in my recollection, a substantial
25 amount of time spent on, I will characterize it as internecine

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1 straightforward. There were not that many physical
2 conferences. So that's a third bundle of information.

3 A fourth bundle of information is expenses, and this
4 can be very straightforward. If there was a policy for travel,
5 that it had to be economy or business or first, I want to know
6 that. If it's free play, that is, you did whatever you want, I
7 am going to need a breakdown of what was economy, what was
8 business, and what was first class, in terms of travel, and it
9 won't surprise you that I am only going to be approving the
10 economy flights. And I want, if it's available, the average
11 hotel rate in each city. My assumption is most of these
12 depositions took place in New York, and the attorneys are in
13 New York so I think that will basically just drop out. My
14 guess is I am not asking for a great deal of information for
15 the hotel rates, but I do think it is relevant.

16 Then perhaps a minor matter. I want the per page
17 copying rate for each firm.

18 Now, let's turn to the next group, which is contract
19 attorneys. Kirby McInerney is telling me, and I have no reason
20 to doubt it because I don't have the information, they are
21 telling me that the qualifications are the same for contract
22 attorneys as for Kirby McInerney attorneys. And again, I am
23 just using Kirby McInerney, but I mean every firm.

24 If I understand the submissions, Kirby McInerney is
25 saying, Mr. Frank is saying, we don't know who those contract

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1 attorneys are, and he is also saying they are paid less than
2 regular attorneys. I have responded to that. That's
3 irrelevant to me. But I do need to know their skills,
4 experience, qualifications, reputation so I can attempt to
5 determine what the market rate is for their services vis-a-vis
6 regular associates and partners.

7 Kirby McInerney says, you know, Mr. Frank, who the
8 contract attorneys are because you have the bios of our lawyers
9 and everybody else is a contract attorney. That's not terribly
10 helpful to me because I don't think I should be accepting at
11 face value the fact that, because Miss So and So went to NYU
12 Law, that's a woman who you both seem to focus on, therefore
13 her qualifications are the same as everybody else. And because
14 some of these contract attorneys happen to work for major firms
15 their qualifications are the same. I think I need more
16 information than that.

17 Kirby McInerney says it went through, I don't know,
18 100 bios and chose only one out of three or four. I think
19 those are the basic figures. And they were seen by two or
20 three personnel. When I see a word like that, I am not sure
21 who the personnel is, although you do say that it was often
22 Mr. Press and Mr. Linden who were reviewing people. But what I
23 want is, because you gave me the bios of your firm people, I
24 want the bios of the contract people. Presumably those are
25 available. I don't want you to be going to whatever agency

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